

Testimony Of The
Greater Danbury Chamber of Commerce
Lumber Dealers Association of CT
Milford Chamber of Commerce
Northwest CT Chamber of Commerce
CT Coalition Of Property Owners
CT Messenger Courier Association

Before the Legislature's
Labor and Public Employees Committee
Tuesday, March 8, 2016
1:00 PM, Room 2E, Legislative Office Building

RE: SB 221 AAC Paid Family And Medical Leave,
HB 5377 AAC The Prevailing Wage,
HB 5591 AA Creating The Connecticut Retirement Security Program.

Good afternoon. I am Attorney Marshall Collins. The 6 aforementioned organizations have asked me to submit this testimony on their behalf. Collectively these organizations represent nearly 3,000 employers. Those employers employ approximately 100,000 men and women in Connecticut.

The "Organizations" oppose SB 221 AAC Paid Family And Medical Leave.

Neither Connecticut's employers, employees nor taxpayers can afford this bill.

- The program would not be free to employers. Besides additional administrative costs, employers would have to pay non-wage benefits during the 12 weeks of paid leave in addition to the costs of hiring a replacement worker.
- Employees would be taxed, most likely more than 0.5% of their pay to fund the program.
- Significant numbers of new state employees would have to be hired to run the program, with a likely a startup cost of millions of dollars. Thus taxpayers would also pay.

Nationally, this concept has proven to be a bad idea. It would drive up the already prohibitively high cost of doing business in Connecticut. **For these reasons, the organizations ask that you not favorably report SB 221.**

The "Organizations" cannot support HB 5377 AAC Prevailing Wage as drafted.

For nearly 20 years, the organizations have supported increasing the thresholds for application of the Prevailing Wage. Prevailing wage limits of \$100,000 and \$400,000 for renovations and new public works projects dramatically increase the cost of those projects and therefore necessary taxes for both state and municipal taxpayers. Those limits have not been increased for nearly two decades, while

inflationary adjustments have been made to minimum wage and many other programs.

HB 5377 finally and correctly increases those limits to \$1 million and \$2 million respectively. Unfortunately the bill also expands the prevailing wage to the private sector.

Any business entity that receives financial assistance would have to pay prevailing wages. Financial assistance is very broadly defined. HB 5377 thus would become another mandate, which would increase the cost of doing business in Connecticut, For these reasons, **the organizations oppose HB 5377.**

HB 5591 AA Creating The Connecticut Retirement Security Program.

The organizations oppose the passage of HB 5591.

Creation of this program would automatically enroll private sector employees in an expensive state run program. With the massive budget deficits, which Connecticut is facing, now is not the time to start expensive new programs.

Furthermore, Connecticut has one of the highest levels of unfunded liabilities of any state in the nation. Unless employees are guaranteed some rate of return on their contributions, the amount of participation is likely to be reduced. If a rate of return were guaranteed, this would become another significant unfunded liability for taxpayers.

HB 5591 is both fiscally and conceptually flawed. For these reasons, **the organizations oppose passage of HB 5591.**

This completes the organizations' collective testimony. Thank you for your consideration.